

Program X00

**DOT - Washington State Ferries****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2003-05 Expenditure Authority</b>	1,638.0		318,804	318,804
<b>Total Maintenance Level</b>	1,631.8		337,809	337,809
Difference	(6.3)		19,005	19,005
Percent Change from Current Biennium	(0.4)%		6.0%	6.0%
<b>Performance Changes</b>				
Fund Source Adjustment				
Middle Management Reduction			(300)	(300)
General Inflation			(1,837)	(1,837)
Eagle Harbor Hydraulic System Support	2.5		519	519
Ferries Environmental Program	1.0		196	196
<b>Subtotal</b>	3.5		(1,422)	(1,422)
<b>Total Proposed Budget</b>	1,635.3		336,387	336,387
Difference	(2.8)		17,583	17,583
Percent Change from Current Biennium	(0.2)%		5.5%	5.5%
<b>Total Proposed Budget by Activity</b>				
Daily Operation of Terminals and Vessels	1,338.8		239,785	239,785
Ferries Operations Management and Support	87.7		36,699	36,699
Maintenance of Terminals and Vessels	208.8		54,223	54,223
Compensation Cost Adjustment			5,980	5,980
Middle Management Reduction			(300)	(300)
<b>Total Proposed Budget</b>	1,635.3		336,387	336,387

**PERFORMANCE LEVEL CHANGE DESCRIPTIONS****Fund Source Adjustment**

Six million dollars in fuel costs necessary to operate the Washington state ferry system will be paid out of the Multimodal Transportation Account. (Puget Sound Ferry Operations Account-State, Multimodal Transportation Account-State)

**Middle Management Reduction**

The Governor has directed that middle management be reduced by 1,000 positions by the end of the biennium. This item is this agency's share of the statewide amount.

**Eagle Harbor Hydraulic System Support**

The state ferry system will develop in-house expertise in hydraulic systems and programmable logic controller technology, and support and maintain the department's zero oil spill policy. (Puget Sound Ferry Operations Account-State)

**Ferries Environmental Program**

Funding is provided for a position to lead the ferry system's core environmental team, evaluate needs regarding environmental management, and develop a comprehensive environmental strategy. (Puget Sound Ferry Operations Account-State)

## **TRANSPORTATION**

### **ACTIVITY DESCRIPTIONS**

#### **Daily Operation of Terminals and Vessels**

This activity directly supports the legislatively-approved service schedule and service hours. The activity includes labor, fuel, and materials for deck and engine operations of the fleet. Daily operations also include revenue collection costs, traffic control costs, operations training, and vessel and terminal operations management and support.

#### **Ferries Operations Management and Support**

This activity includes executive and administrative support such as program oversight, accounting, human resources, contract administration, public relations, and audit functions.

#### **Maintenance of Terminals and Vessels**

Maintenance includes labor, materials, repair contracts, and miscellaneous costs associated with terminal and vessel maintenance. Vessel maintenance is accomplished by Washington State Ferries (WSF) at its dedicated maintenance facility at Eagle Harbor. Larger vessel maintenance contracts and drydockings are performed at commercial shipyards around Puget Sound. Terminal maintenance includes routine asset maintenance and inspection performed by Eagle Harbor staff, and contracted maintenance for major maintenance needs.

#### **Compensation Cost Adjustment**

This item reflects proposed compensation and benefit cost adjustments that were not allocated to individual agency activities. The agency will assign these costs to the proper activities after the budget is enacted.

#### **Middle Management Reduction**

The Governor has directed that middle management be reduced by 1,000 positions by the end of the biennium. This item is this agency's share of the statewide amount. These savings will be assigned to the appropriate activities after the budget is enacted.